

ASSEMBLY BILL

No. 1833

Introduced by Assembly Members Logue and Garrick

February 12, 2010

An act to add Section 11346.31 to the Government Code, relating to regulations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1833, as introduced, Logue. Regulations: economic impact analysis.

The Administrative Procedure Act generally sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

This bill would additionally require the California Environmental Protection Agency, the Division of Occupational Safety and Health, and the State Air Resources Board, when proposing to adopt, amend, or repeal an administrative regulation, to complete an economic impact analysis of that action prior to the adoption, amendment, or repeal. The bill would require the economic impact analysis to contain the projected cost of the action to the General Fund, the projected total economic impact of the action, including the cost to small business and the estimated number of jobs to be lost, a description of all feasible regulatory alternatives and a cost-benefit analysis of each alternative, and a summary of written criticisms, as specified. The bill would require the agency to make the economic impact report available on the agency's Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The residents of the state expect that their state government
4 will enact laws and promulgate regulations to the general benefit
5 of the people and that regulations promulgated will tend to
6 maximize benefits to society while minimizing costs.

7 (b) Administrative and regulatory actions can have significant
8 and far-reaching consequences for individuals, nonprofit
9 organizations, and businesses throughout the state.

10 (c) Administrative and regulatory actions should be based on
11 adequate information concerning the need for, and consequences
12 of, the proposed action.

13 (d) Administrative and regulatory actions that maximize benefits
14 to society while minimizing costs are preferable to actions that
15 tend toward the opposite.

16 (e) The agencies, boards, departments, and offices of the state
17 generally strive to promulgate regulations that benefit the people
18 of the state.

19 (f) The Legislature has in numerous instances required that the
20 agencies, boards, departments, and offices of the state take cost
21 considerations into account when promulgating regulations.

22 (g) The Legislature has specifically required that the scientific
23 basis of environmental protection regulations be subject to analysis
24 and peer review.

25 (h) The costs and benefits of other regulations promulgated by
26 agencies that affect jobs in this state and the overall business
27 climate should be equally subject to analysis.

28 SEC. 2. Section 11346.31 is added to the Government Code,
29 to read:

30 11346.31. (a) This section is limited in its applicability to the
31 California Environmental Protection Agency, the Division of
32 Occupational Safety and Health, and the State Air Resources
33 Board.

34 (b) In addition to any other requirements, a state agency included
35 in subdivision (a) that proposes to adopt, amend, or repeal an
36 administrative regulation shall complete an economic impact
37 analysis of that action prior to the adoption, amendment, or repeal.
38 The economic impact analysis shall include all of the following:

1 (1) The projected cost of the action to the General Fund.

2 (2) The projected total economic impact of the action, including
3 the cost to small business and the estimated number of jobs to be
4 lost as a result of the action.

5 (3) A description of all feasible regulatory alternatives and a
6 cost-benefit analysis of each alternative.

7 (4) A summary of the written criticisms of the proposed action
8 received a reasonable time prior to the publication of the written
9 analysis, including letters, memoranda, reports, and written
10 allegations, of which the agency has knowledge, that the action is
11 discriminatory, unfair, unclear, inconsistent with statute, or beyond
12 the authority of the agency to enact.

13 (c) An agency shall make the economic impact report described
14 in subdivision (b) available on the agency's Internet Web site.

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